

Message Text

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63

ACTION ARA-20

INFO OCT-01 ISO-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SP-03

CIEP-02 LAB-06 SIL-01 OMB-01 STR-08 INT-08 FEA-02

SCI-06 AGR-20 DODE-00 PM-07 H-03 L-03 NSC-07 PA-04

PRS-01 SS-20 USIA-15 HUD-02 DRC-01 /204 W

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R 291800Z MAY 74

FM AMEMBASSY KINGSTON

TO SECSTATE WASHDC 4824

UNCLAS KINGSTON 1852

EO 11652: N/A

TAGS: EFIN

SUBJECT: BUDGET DEBATE: OPPOSITION LEADER SHEARER
OPPOSES WAGE CONTROLS

REF: KINGSTON 1752

1. REPLYING TO GOJ BUDGET PROPOSALS, OPPOSITION LEADER
HUGH SHEARER ATTACKED THE FORMULATION OF A
WAGES POLICY AND STATED THE JLP WOULD ACTIVELY OPPOSE
ANY PLAN TO PUT PRESSURE ON WORKERS THROUGH WAGE
CONTROLS. SHEARER SAID THE COST OF LIVING LAST YEAR
HAD EXCEEDED THE UPWARD MOVEMENT OF WAGES AND SALARIES
AND WAGES WOULD HAVE TO CONTINUE TO BE INCREASED
IF CURRENT LIVING STANDARDS WERE TO BE MAINTAINED.
SHEARER ALSO CALLED FOR A GOJ SUBSIDY TO STIMULATE
PRIVATE SECTOR INVESTMENT IN LOW COST HOUSING. HE
SAID THE PRESENT GOJ LOW INCOME HOUSING PLAN WAS
NOT SUFFICIENT TO MEET MORE THAN A SMALL PERCENTAGE
OF THE DEMAND. SINCE THE CHEAPEST PRIVATE SECTOR
HOUSES WERE OUT OF REACH OF THE WORKING CLASS, SHEARER
PROPOSED THAT THE GOJ SHOULD PROVIDE THE PRIVATE SECTOR
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WITH SOME FORM OF "INTEREST SUBSIDE" TO HOLD DOWN INTEREST

RATES, THE BIGGEST COST FACTOR IN HOUSING

2. OTHER PROPOSALS BY THE OPPOSITION LEADER INCLUDED
A COST OF LIVING ALLOWANCE FOR GOVERNMENT EMPLOYEES,
AMENDMENTS TO THE GUN COURT ACT TO PROVIDE JUDGE'S
DISCRETION INSTEAD OF MANDATORY SENTENCING AND
PUBLICATION OF TRIAL PROCEEDINGS, INCOME TAX RELIEF
FOR WORKING WIVES WITH CHILDREN, AND CHANGES IN
ALLOWANCES FOR STUDENTS

3. IN INDIRECT REFERENCE TO SHEARER'S STATEMENT,
THE DAILY GLEANER EDITORIALIZED THAT ALTHOUGH
AN INCOMES POLICY WAS DIFFICULT TO IMPLEMENT," THERE
MUST BE SOME LIMITATION TO THE WAGE AND SALARY TRENDS
WHICH SEEMS TO EXIST IN JAMAICA TODAY. IT IS DIFFICULT
TO SEE HOW THE PRICE STRUCTURE CAN STAND WAGE INCREASES
OF UP TO 50 PERCENT. SUCH INCREASES MUST BE PASSED ON TO THE
CONSUMERS WHO ARE THE VERY SAME WORKERS WHO WERE GIVEN
THE INCREASE. AT SOME STAGE THIS COMPETITION AS TO
WHO IS TO GET THE MOST MUST STOP, BECAUSE NO ONE
IS GETTING ANYTHING, AND THE ECONOMY IS BEING
THROWN INTO CHAOS." HEWITT

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